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**F I S C A L   I M P A C T   R E P O R T**

 **SOR:** Altamirano      **DATE TYPED:** 05/22/02      **HB** \_\_\_\_\_  
**SHORT TITLE:** General Appropriation Act of 2002      **SB** 1  
**ANALYST:** Burch

**APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
18,477.4	3,862,794.2			Recurring	General Fund
10.0	1,711,388.5			Recurring	Other State Funds
	714,776.5			Recurring	Internal Service Funds/Interagency Transfers
29,100.0	3,281,942.2			Recurring	Federal Funds
48,111.6				Nonrecurring	General Fund
24,036.5				Nonrecurring	Other State Funds
62.0				Nonrecurring	Internal Service Funds/Interagency Transfers
49,267.9				Nonrecurring	Federal Funds

**SOURCES OF INFORMATION**

LFC files

**SUMMARY**

Synopsis of Bill

The bill appropriates general fund, other state funds, internal service funds/interagency transfers and federal funds for the FY03 operation of state agencies, higher education and public school support. The bill includes funding for 21,195.26 permanent, 2,574.57 term and 207.00 temporary employees for a total of 23,976.83 employees.

See **Attachment** for general fund appropriations by agency. See the fiscal implications section of this report for the breakout of appropriations between recurring and nonrecurring and funding sources.

- Section 4, Fiscal Year 2003 Appropriations (pages 5 through 186). This section provides funding for state agencies, higher education and public school support.
- Section 5, Special Appropriations (pages 186 through 195); Section 6, Supplemental and Deficiency Appropriations (pages 195 through 198); and Section 7, Data Processing Appropriations (pages 198 through 206).
  - Section 5 appropriates money for expenditure in FY02 and FY03 for various special purposes and to fund the computer systems enhancement fund.
  - Section 6 appropriates money for expenditure in FY02 to make up shortfalls in FY01 and projected shortfalls in FY02.
  - Section 7 appropriates money from the computer systems enhancement fund and other funds for expenditure in FY02 and FY03 for major information technology projects.
- Section 8, Fiscal Year 2002 Additional Fiscal Year 2002 Budget Adjustment Authority (pages 206 through 214). This section provides budget adjustment authority for FY02 in addition to that already provided by the General Appropriation Act of 2001.
- Section 9, Certain Fiscal Year 2003 Budget Adjustments Authorized (pages 214 through 223). This section provides budget adjustment authority for FY03: (1) most of the authority is similar to that included for FY02 in the General Appropriation Act of 2001; (2) the section provides up to 5% transfers between programs for the Taxation and Revenue Department, Human Services Department, Department of Health, Children, Youth and Families Department, Corrections Department and Department of Public Safety; and (3) the section also provides up to 5% transfers to and from contractual services for the Taxation and Revenue Department, Human Services Department, Department of Health, Children, Youth and Families Department, Corrections Department and Department of Public Safety, except that transfers cannot be made out of the developmentally disabled waiver program of the Department of Health.
- Section 10, Transfer Authority (page 223). This section authorizes transfers from the general fund operating reserve to the general fund appropriation account in the case that appropriations exceed revenues in that account as of June 30, 2002.
- Section 11, Appropriation Reduction (pages 223 through 224). This section reduces the appropriations contained in Section 4 of the bill by two-tenths of one percent. The amount of the reduction is about \$7.8 million.
- Section 12, Medicaid Appropriation (pages 224 through 225). This section provides a contingent appropriation for the Medicaid program from the Appropriation Contingency Fund in the amount of \$19.5 million.

- Section 13, State Board of Finance Appropriation (pages 225 through 226). This section provides a pool of money in the case that additional funds are needed to operate state government. The needs of the Corrections Department are given priority.

Significant Issues

General fund operating appropriations for most legislative agencies are contained in House Bill 1, the Feed Bill, of the second session of the forty-fifth legislature, 2002.

**PERFORMANCE IMPLICATIONS**

Effective July 1, 2002, nearly every executive agency will convert to performance-based budgeting. The agencies scheduled to implement performance-based budgeting in the final year of implementation include all legislative agencies, the judiciary and the remainder of public school and higher education.

**FISCAL IMPLICATIONS**

Appropriations in the bill are summarized as follows:

Section	Fiscal Year 2002					Fiscal Year 2003				
	GF	OSF	ISF/IAT	FF	Total	GF	OSF	ISF/IAT	FF	Total
<b>Recurring:</b>										
4. FY03 Appropriations					-	3,870,535.2	1,711,388.5	714,776.5	3,281,942.2	9,578,642.4
5. Special	8,145.6	10.0			8,155.6					-
6. Supp/Def	10,331.8			29,100.0	39,431.8					-
11. Sanding						(7,741.0)				(7,741.0)
<b>Total Recurring</b>	<b>18,477.4</b>	<b>10.0</b>	<b>-</b>	<b>29,100.0</b>	<b>47,587.4</b>	<b>3,862,794.2</b>	<b>1,711,388.5</b>	<b>714,776.5</b>	<b>3,281,942.2</b>	<b>9,570,901.4</b>
<b>Nonrecurring:</b>										
5. Special	41,497.8	7,300.0	62.0	18,898.2	67,758.0					-
6. Supp/Def	6,613.8			2,640.0	9,253.8					-
7. Data Processing		16,736.5		27,729.7	44,466.2					-
<b>Total Nonrecurring</b>	<b>48,111.6</b>	<b>24,036.5</b>	<b>62.0</b>	<b>49,267.9</b>	<b>121,478.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

There is also an appropriation for the faculty endowment fund in the amount \$2 million for expenditure in fiscal year 2004. Unless otherwise indicated, appropriations from the general fund revert to the general fund at the end of FY03. Exceptions included higher education institutions and the State Department of Public Education.

Finally, the bill includes the LFC recommendation for use of the Tobacco Settlement Program Fund. The recommendation assumes that revenue now directed to the Tobacco Settlement Permanent Fund is redirected to the Tobacco Settlement Program Fund for a period of two years.

<b>TOBACCO SETTLEMENT REVENUE APPROPRIATIONS</b> <b>(Dollars in Thousands)</b>	
<b>Human Services Department:</b>	
Breast and cervical treatment program	1,300.0
Medicaid	7,627.5
<b>Department of Health:</b>	
Tobacco cessation and prevention	5,000.0
Diabetes prevention and control	1,000.0
HIV/AIDS services	470.0
<b>Total Department of Health</b>	<b>6,470.0</b>
<b>Veterans Service Commission:</b>	
Assisted living program for veterans with lung disease	600.0
<b>University of New Mexico:</b>	
Health Sciences Center programs (1)	4,400.0
<b>GRAND TOTAL</b>	<b>20,397.5</b>

NOTES:

(1) Includes: \$1 million for lung research, \$1.5 million for genomics and environmental health research, \$450.0 for the poison control center, \$400.0 for pediatric oncology, \$150.0 for telemedicine, \$50.0 for Para los Ninos, \$50.0 for area health education center, \$400.0 trauma specialty education, \$400.0 for pediatrics specialty education.

DKB/njw  
Attachment